

Message Text

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ACTION ARA-10

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FM AMEMBASSY QUITO

TO SECSTATE WASHDC 5204

INFO AMEMBASSY CARACAS

AMCONSUL GUAYAQUIL

AMEMBASSY LIMA

C O N F I D E N T I A L QUITO 2638

E.O. 11652: GDS

TAGS: PFOR, ETRD, EC

SUBJ: ECUADOREAN FOREIGN MINISTER ON US/GOE RELATIONS AND THE
"NEW ECONOMIC ORDER"

1. SUMMARY: ECUADOREAN FOREIGN MINISTER ANTONIO JOSE LUCIO PAREDES SPOKE TO THE CUADOREAN-AMERICAN CHAMBER OF COMMERCE ON APRIL 16 ABOUT THE OPEC SUMMIT, RELATIONS BETWEEN THE INDUSTRIALIZED WORLD AND DEVELOPING NATIONS, AND THE STATE OF ECUADOREAN-US RELATIONS. ALTHOUGH HIGHLY ARTICULATE AND NON-POLEMIC IN TONE, LUCIO PAREDES' REMARKS WERE NONETHELESS NOTABLE FOR THEIR THIRD-WORLD ORIENTATION. HE EXPRESSED DESIRE FOR CLOSE RELATIONS WITH US AND WELCOMED USG COMMITMENT TO WAIVE OPEC GSP EXCLUSION FOR ECUADOR; BUT HE RAISED OTHER UNSPECIFIED RESTRICTIONS OF TRA AS A POTENTIAL OBSTACLE TO US/ECUADOR RELATIONS. END SUMMARY.

2. IN AN EXTEMPORANEOUS AND HIGHLY ARTICULATE SPEECH DELIVERED APRIL 16 BEFORE MONTHLY LUNCHEON OF ECUADOREAN-AMERICAN CHAMBER OF COMMERCE, ECUADOREAN FONMIN LUCIO PAREDES DISCUSSED RECENT OPEC CONFERENCE, RELATIONS BETWEEN
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INDUSTRIALIZED WORLD AND DEVELOPING NATIONS AND THE STATE

OF US/ECUADOREAN RELATIONS. TONE OF MESSAGE WAS NON-POLEMIC THROUGHOUT ALTHOUGH CONTENT WAS DISTINCTLY "THIRD WORLD". HE BEGAN WITH THE ANALOGY ABOUT "SPACESHIP EARTH", SAYING "THE WORLD IS BUT A VOYAGE, AND ALL OF US ARE PARTICIPATING IN IT. BUT SOME ARE GOING FIRST CLASS, WHILE MOST OF THE REST ARE IN STEERAGE." HE EMBROIDERED THE WELL-KNOWN THEME OF INEQUALITIES, SAYING THAT ECUADOR, FOR HERE PART, DID NOT WANT STERILE CONFRONTATION OR ARGUMENT, BUT ONLY A MORE JUST AND EQUITABLE DIVISION OF RESOURCES "THAT BELONG TO US ALL".

3. ON SUBJECT OF RECENT OPEC SUMMIT, LUCIO PAREDES AVOIDED DETAILS DWELLING RATHER ON NEED FOR "JUST PRICE" FOR PRIMARY PRODUCTS. HE SAID THAT DEVELOPMENTS IN THE FIELD OF OIL HAD CREATED THE OPPORTUNITY FOR AND SHOWN THE UNDERDEVELOPED WORLD HOW TO ACHIEVE THIS OBJECTIVE. REGARDING CONTEMPLATED CONSUMER/PRODUCER CONFERENCE, HE STATED IT SHOULD HAVE BROAD PARTICIPATION AND HE REITERATED ECUADOR'S POSITION THAT CONFERENCE MUST DEAL WITH WHOLE RANGE OF ISSUES INCLUDING ALL PRIMARY PRODUCTS AND MONETARY REFORM AND NOT ONLY ENERGY ISSUE. IN THIS CONNECTION, HE MERELY ALLUDED TO PARIS PREP CON WITHOUT GOING INTO ITS BREAK-UP NOTWITHSTANDING FACT THAT EVENT HAD RECEIVED HEADLINE TREATMENT IN LOCAL PRESS THE VERY SAME MORNING OF HIS SPEECH.

4. TURNING TO HEMISPHERIC RELATIONS, LUCIO REVIEWED HISTORY OF "NEW DIALOGUE" AND ENTHUSIASTIC RECEPTION IT HAD ORIGINALLY RECEIVED IN ECUADOR. BUT, AS WAS BY NOW WELL KNOWN, TRA HAD SOURED MATTERS AND GOE, BOTH AS ONE OF THE AGGRIEVED PARTIES AND AS THE NATION SPECIFICALLY RESPONSIBLE FOR CHAIRING THE "ECONOMIC SANCTIONS" WORKING GROUP OF THE TLATELOLCO AGENDA, HAD NO OTHER CHOICE BUT TO DECLINE, "WITHOUT DEMAGOGUERY, WITHOUT PREJUDICE", TO ATTEND BUENOS AIRES MFM. LUCIO PAREDES THEN WELCOMED RECENT USG COMMITMENTS TO SEEK WAIVER OF OPEC GSP EXCLUSION FOR ECUADOR; BUT HE WENT ON TO SAY THAT THIS WAS NOT ENOUGH, ALLUDING TO OTHER UNSPECIFIED RESTRICTIONS OF TRA.

5. ON BILATERAL US/ECUADOREAN RELATIONS, LUCIO PAREDES NOTED THAT ECUADOR WAS A SERIOUSLY UNDERDEVELOPED COUNTRY
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WHICH NEEDS FOREIGN CAPITAL IN ORDER TO PROGRESS; WE ARE WILLING TO ACCEPT THIS; INDEED WE WELCOME IT. OUR LAWS SPECIFICALLY PROVIDE FOR THE INFUSION OF FOREIGN CAPITAL FOR ECONOMIC DEVELOPMENT, AND THE UNITED STATES IS THE LARGEST SOURCE OF SUCH FINANCIAL AND TECHNOLOGICAL HELP." HE SAID ECUADOR LOOKED FORWARD TO "WALKING ARM IN ARM" WITH THE UNITED STATES BUT WORLD PARTNERSHIP COULD NOT SURVIVE "IF WE INSIST ON MAINTAINING THE OLD, DISCREDITED,

OUTMODED STRUCTURES WHICH ONLY SERVE TO PERPETUATE THE
INEQUALITIES WHICH DIVIDE US".

6. COMMENT: LUCIO'S REFERENCE TO OTHER UNSPECIFIED
RESTRICTIONS OF TRA AND SUGGESTION THAT REMOVAL OF OPEC
EXCLUSION OBSTACLE MIGHT NOT BE ENOUGH TO PLACATE ECUADOR
IS FIRST TIME KEY GOE OFFICIAL HERE HAS PUBLICLY FOCUSSED
ON OBJECTIONS TO TRA OTHER THAN OPEC CLAUSE. OTHER
TRA RESTRICTIONS INCLUDING PROVISIONS ON EXPROPRIATION
AND NATIONALIZATION WERE, HOWEVER, MENTIONED IN A SPEECH
DELIVERED IN QUITO EARLIER THIS MONTH BY FORMER ECUADOREAN
AMBASSADOR TO WASHINGTON ALBERTO QUEVEDO (SEE QUITO 2324);
AND IT COULD WELL BE THAT LUCIO PAREDES PICKED UP HIS CUE
FROM QUEVEDO ON THIS SCORE. IN ANY EVENT, THE FOREIGN
MINISTER'S REMARKS DEMONSTRATE A GROWING ECUADOREAN
SENSITIVITY TO OTHER TRA PROVISIONS WHICH MIGHT CAUSE
PROBLEMS IN OUR RELATIONS.
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